

STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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TRANSITION PLAN FOR COLORADO ACCESS – STATUS UPDATE

Background: On July 18, 2006 the Colorado Department of Health Care Policy and Financing was notified that Colorado Access planned to terminate its Medicaid physical health contract, effective September 1, 2006. Colorado Access' decision not to renew its contract was due to a convergence of a variety of factors, including financial difficulties and a statutorily required rate reduction from the Department of Health Care Policy & Financing called rebasing.

Rebasing has been in effect since July of 2003, and it requires the Department to recalculate the base managed care rate every three years. Specific to Colorado Access, and each of the two years prior to FY06-07, the rate had been trending upwards. However, since Medicaid HMO's are required to be paid 95% of fee-for-service, this year's rebasing analysis showed that the prior years' trends had been too high. Therefore, the 10.95% decrease acted as a normalization of prior year rates.

Issue: The Colorado Department of Health Care Policy & Financing has implemented a transition plan as a result of Colorado Access terminating its contract with the State. Enrollees will continue receiving care but they will be using different methods. These methods include fee-for-service, the Primary Care Physician Program or Denver Health Medicaid Choice, another managed care organization.

Next Steps for the Department: The Department's primary goal is to provide continuity of care for enrollees transitioning from Colorado Access. Immediately upon learning that Colorado Access wanted to terminate its Medicaid physical health contract the Colorado Department of Health Care Policy & Financing worked began working with Colorado Access to successfully transition members.

"The mission of the Department of Health Care Policy & Financing is to purchase cost-effective health care for qualified, low-income Coloradans."

http://www.state.co.us/gov_dir/chcpf/index.html

Members enrolled in Colorado Access' Medicaid physical health plan received notification from the Department that they will need to get their Medicaid services by using Medicaid fee-for-service, the Primary Care Physician Program or enroll in a Medicaid health plan.

Continuity of care is being maintained by the Department by keeping current provider-client relationships; developing individual transition plans for clients that have special health care needs; and transferring prior authorizations for medical care.

Secondly, the Department is investigating all future options that would have a positive impact on Colorado's current Medicaid situation. Among these options would include restructuring the Medicaid HMO rate methodology through legislation. The Department is developing options to consider for revising the statutory methodology.

In conclusion, the General Assembly passed legislation significantly expanding a managed care program for Medicaid in 1997, when SB97-005 was passed. This legislation established the basis for providing necessary medical care for the categorically needy. The Department is fully committed to a managed care philosophy and believes that it should continue. An example of supporting this philosophy can be seen when the Department implemented passive enrollment in 2006.